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CC:	
Date:	Tue, 9/30/2014 5:56:25 PM
Subject:	Daily Update

Quote of the Day

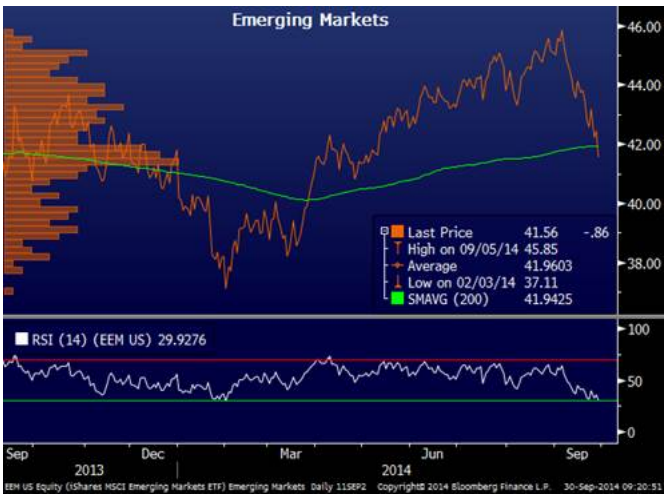
"The wisest men follow their own direction" - Euripides

- Risk markets continued with their intra-day risk-on / risk-off volatility (it will be interesting to see if any hedge funds were able to successfully capture this vol). At one point yesterday, the S&P was almost shaking hands with the devil (down 21 pts into the open). The attitude in the credit markets was one of indifference as buyers nor sellers seemed to care for a good part of the morning. However, buyer's began to emerge in the afternoon. Ford announced that they will not achieve their profit goals. Risk markets are better today on further anticipation of ECB accommodation (see EuroZone data prints below) and PBOC measures to bolster housing in China. I smell nervousness in the policy making circles. Also, a story just hit the tape that Russia is weighing capital controls if net outflows intensify. Gold is spiking on this headline. Eminis: +1 ½ (down 8 from the highs). 10 year 2.50%

- Data: Chicago PM, CPI and CaseShiller today. Also, BoA reduced their #Q GDP track to 3.4% from 3.6% on weaker than expected retail sales. Eurozone inflation dropped again as CPI printed at -0.3% YOY (exp) and PPI came in at -1.0% (vs. -.08% exp). Mmmmmaaaaaario?.....

- Credit: Loans are opening flat after being down 3/8ish. The risk attitude ranges from extremely bearish to agnostic. It is surprising how I am not bumping into any bulls. Hmmmmm.….

- Chart(s) of the day:



- Other:
  - More pressure on hedge funds http://blogs.wsj.com/moneybeat/2014/09/29/two-major-u-k-schemes-join-hedge-fund-pullback/?mod=wsj_nview_latest
  - Everyone is watching PIMCO (even the regulators) http://online.wsj.com/articles/pimco-executive-defends-company-following-departure-of-bill-gross-1412022928?mod=WSJ_hp_LEFTWhatsNewsCollection
  - Blame the surveys http://blogs.wsj.com/economics/2014/09/29/inflation-data-in-the-u-s-is-built-around-a-survey-that-people-increasingly-wont-take/?mod=wsj_nview_latest
  - Morningstar downgrades PIMCO http://www.reuters.com/article/2014/09/30/us-pimco-morningstar-idUSKCN0HP08Z20140930
  - The United States' inefficient health care system:

- HY: 105 7/8 (-1/2)
- IG: 65 (-1 7/8)
- CSLLI: -0.52% mtd / 2.43% ytd

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